

Authored by



# 2025 Top 10 SMB

# Technology Trends

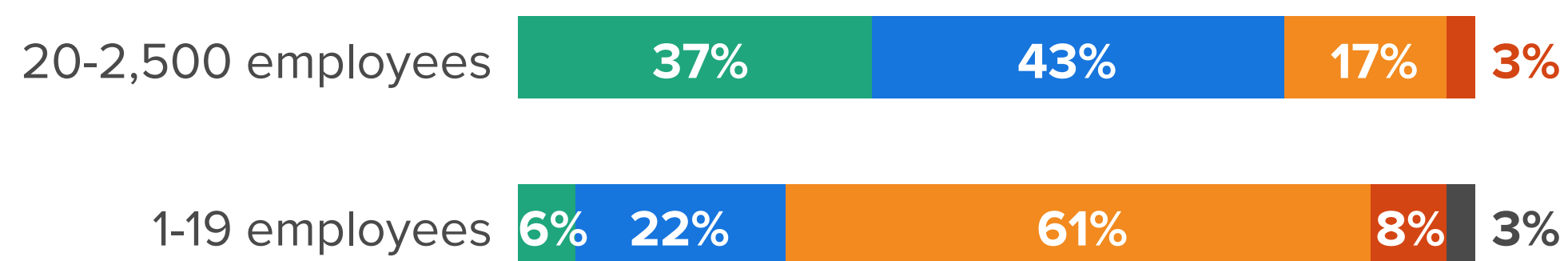
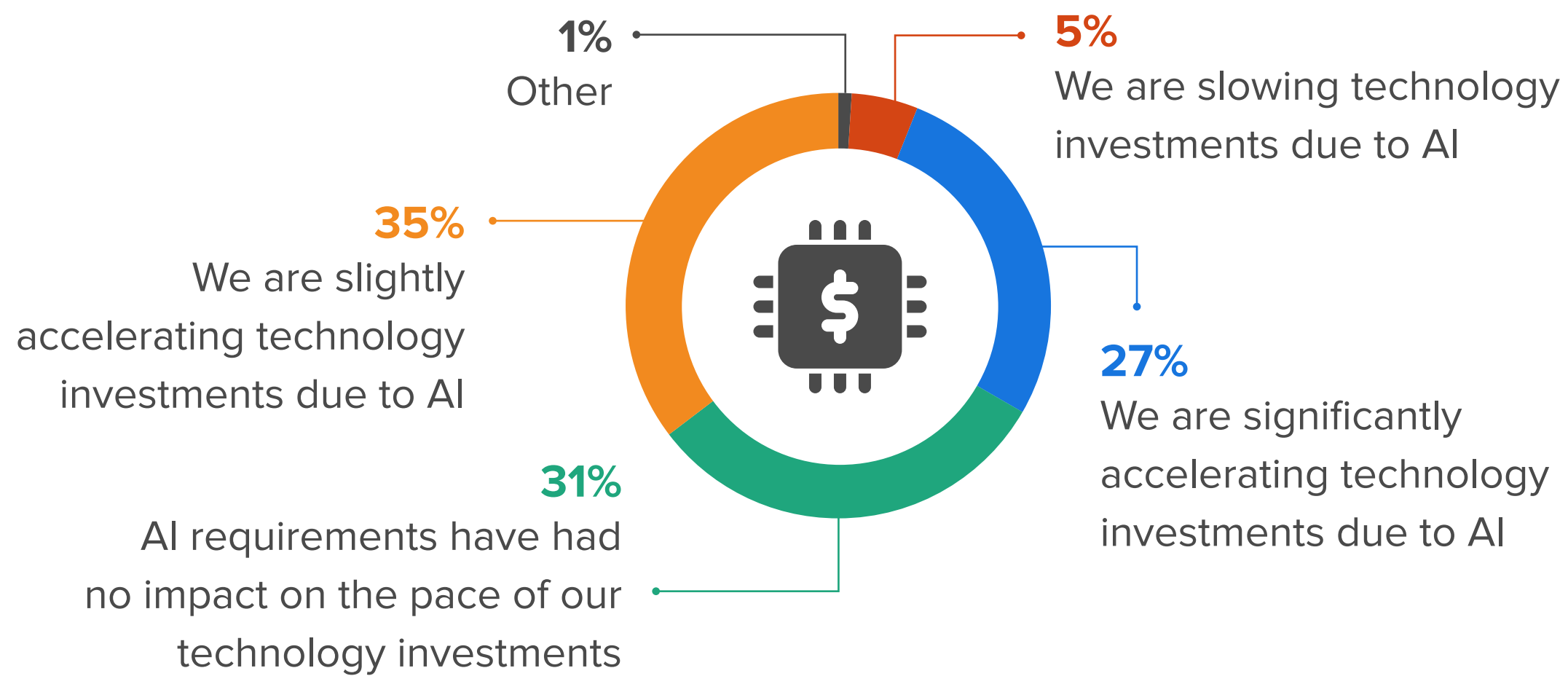


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# AI Accelerates SMB Technology Adoption

How artificial intelligence (AI) requirements are influencing the pace of technology investments



- We are significantly accelerating technology investments due to AI
- We are slightly accelerating technology investments due to AI
- AI requirements have had no impact on the pace of our technology investments
- We are slowing the pace technology investments due to AI
- Other

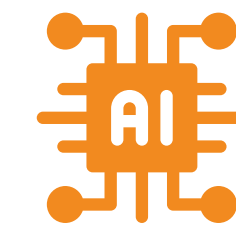
AI will drive accelerated technology investments for many SMBs in 2025.



27% of respondents indicated they are “significantly accelerating technology investments” due to AI requirements.



35% are “slightly accelerating” their investments.



31% of SMBs report that AI requirements have had “no impact” on their technology investments.



Just 5% are slowing down investments because of AI.

The impact correlates strongly with employee size. Most businesses with 20 employees or more are boosting tech investments due to AI. These SMBs see the potential value that AI can bring to their companies and are likely to invest in AI-powered solutions to drive innovation and growth.

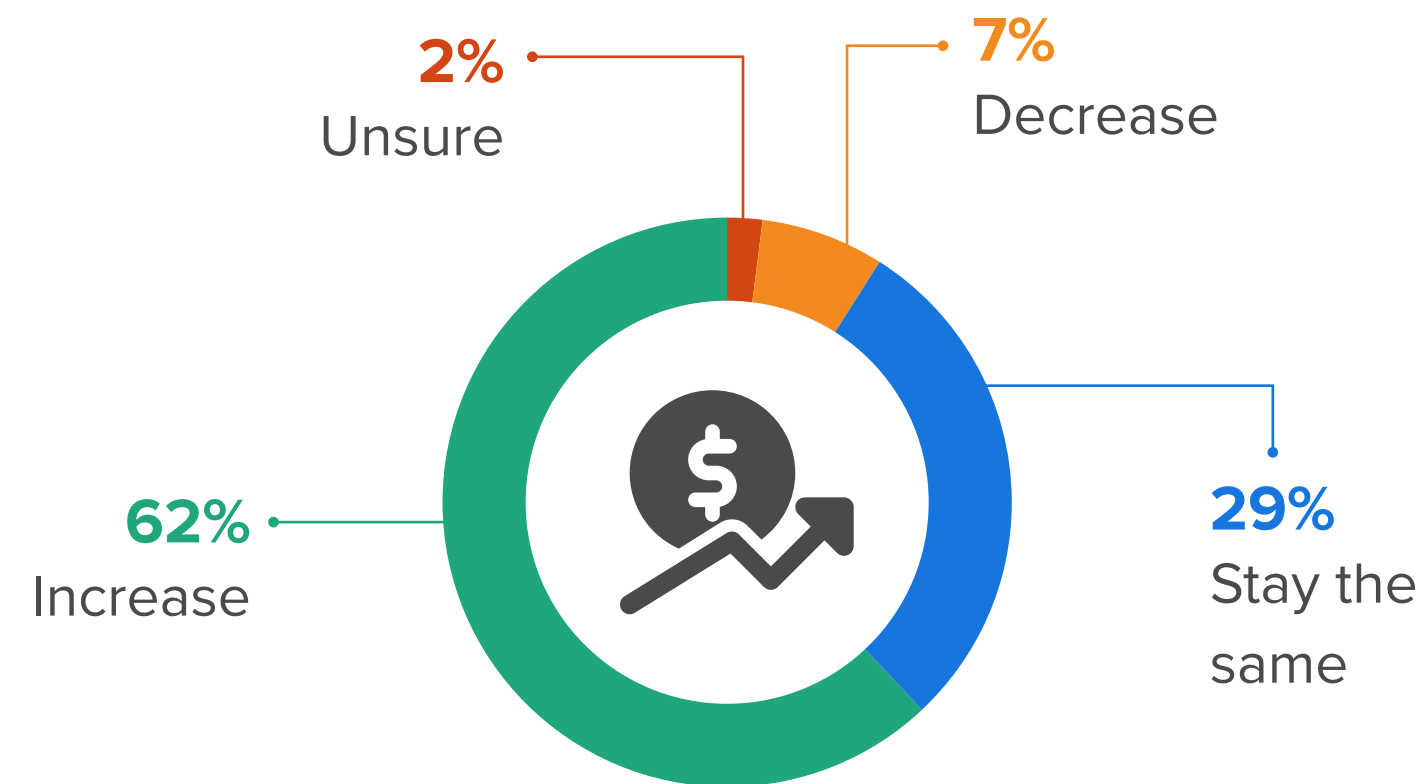
In contrast, SMBs with fewer than 20 employees are most likely to say AI requirements have not impacted the pace of technology adoption. Vendors need to demystify AI for these SMBs. They must provide jargon-free education and pragmatic examples of how AI can solve operational challenges, as well as guidance on best practices for adopting AI-enabled solutions and using AI functionality.

# #2

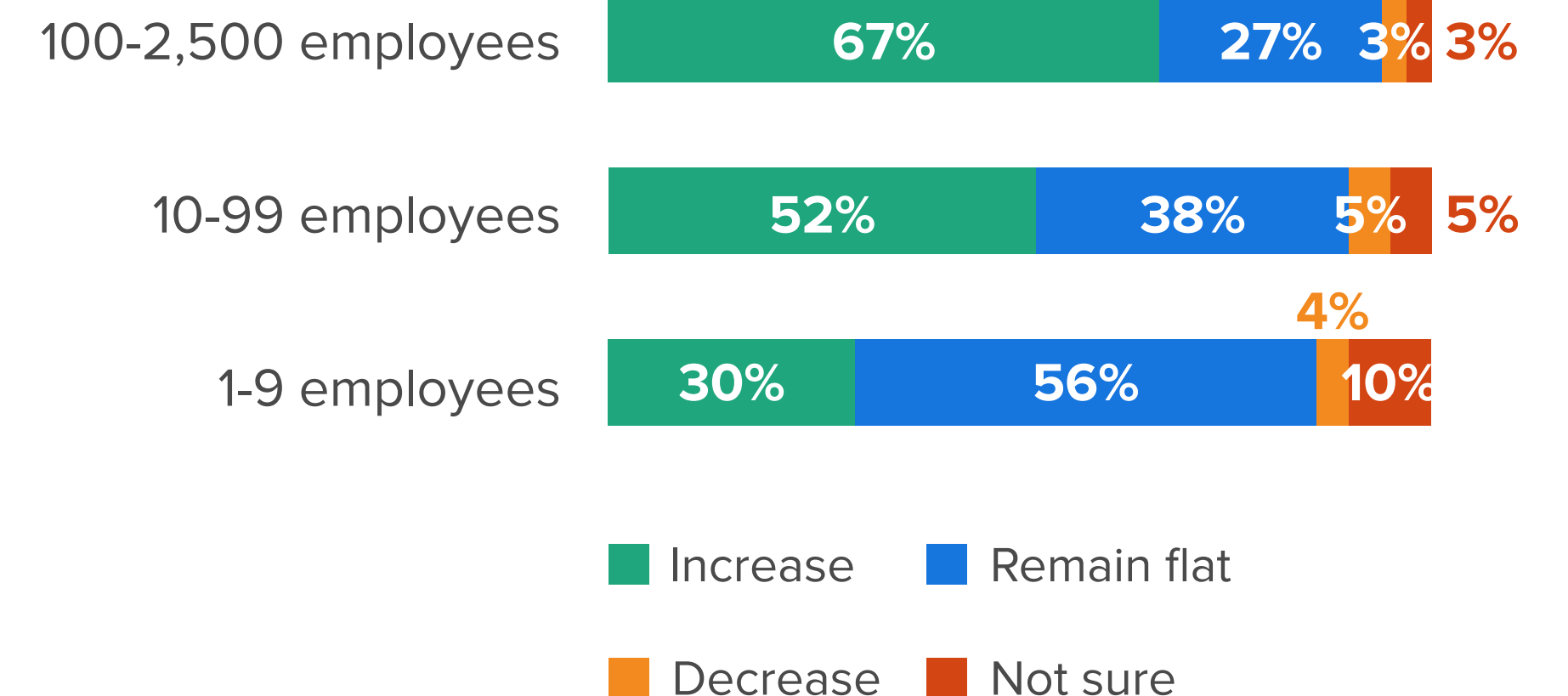
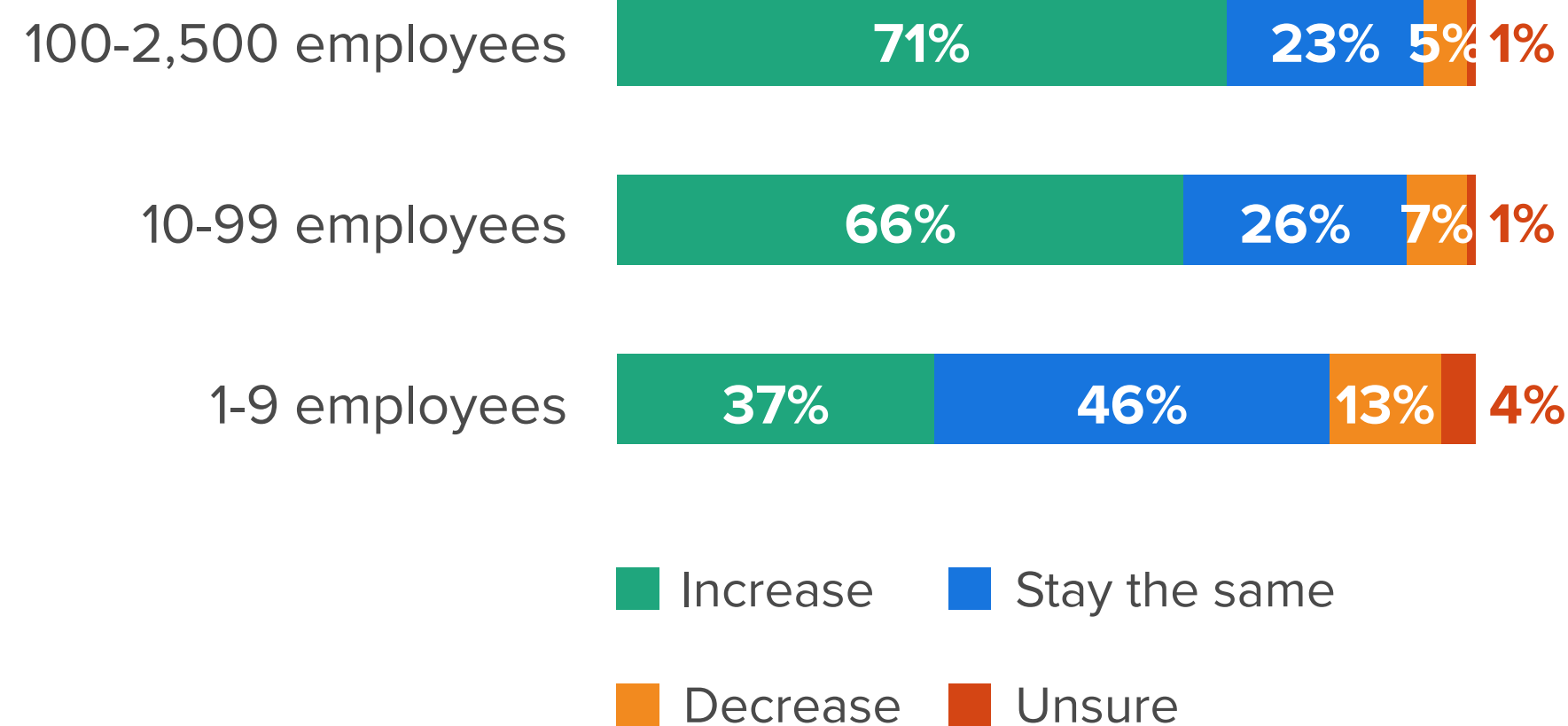
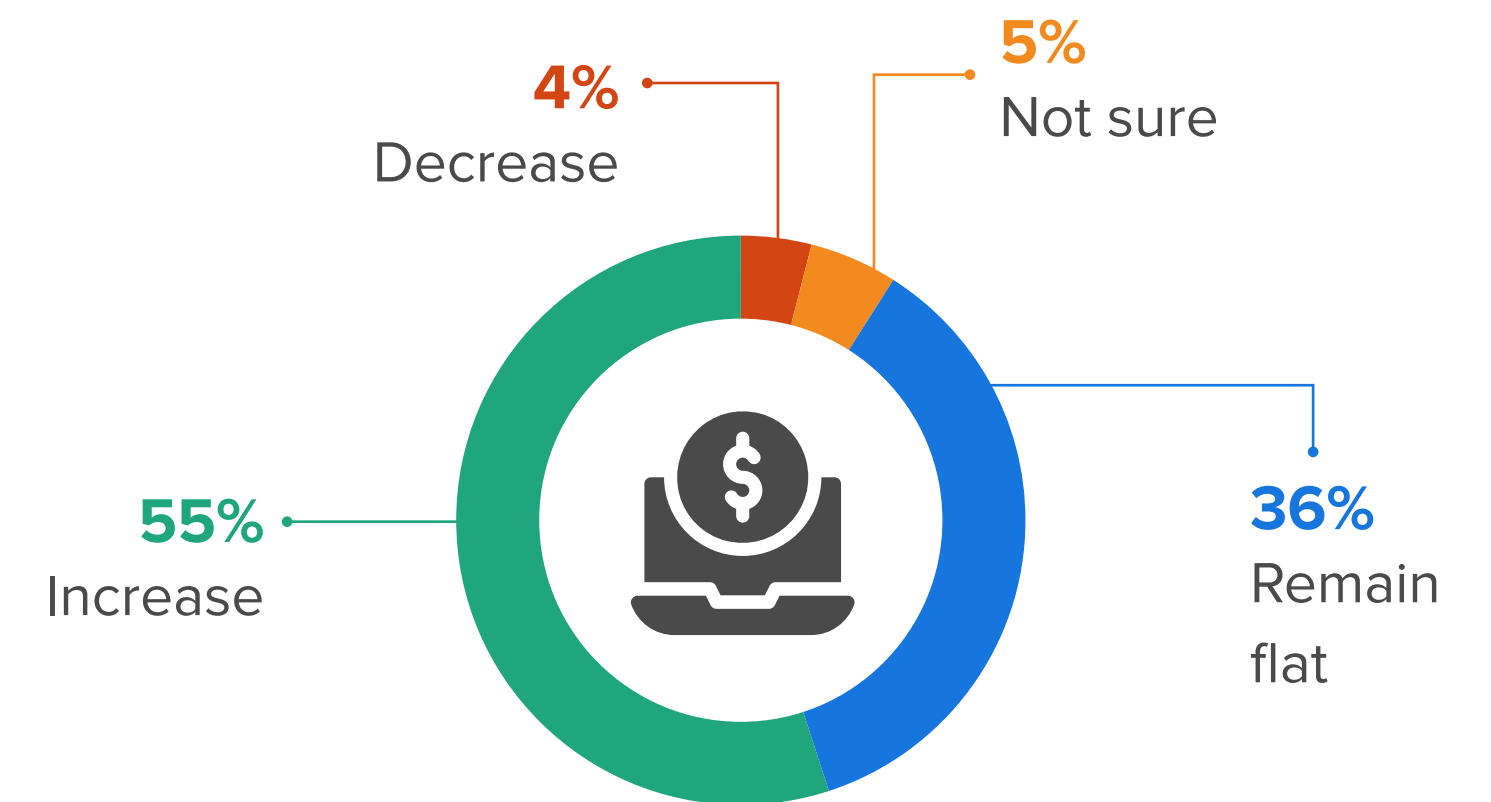
## The Performance and Technology Gap Between Smaller and Larger SMBs Widens

Two-thirds of SMBs project revenues to rise in the next year. However, while most SMBs with 10-2,500 employees have a bullish outlook, those with fewer than 10 employees are most likely to expect revenues to stay the same. Similarly, while over half of all SMBs plan to increase tech spending in the next fiscal year, those with fewer than 10 employees forecast that tech spending will remain flat. Inflation drives up costs across the board—but smaller SMBs have more restrictive budgets than their larger counterparts. While larger companies have the funds to spend on innovation to drive business expansion, smaller companies will focus on solutions that help them grow without substantial upfront investment.

### SMB revenue expectations for the next fiscal year



### SMB plans for tech spending in the next fiscal year





# #3

## Generative AI Reshapes the SMB Buyer Journey

On average, SMBs complete 65% of the buying journey before contacting vendors. The most popular source for SMBs to begin their search for new technology solutions and trends is via web search (54%). Vendor application marketplaces (39%) and vendor websites (36%) round out the top three.

SMBs favor a wide range of different types of content to help them learn about new solutions. But, in just a couple of years, Generative AI has become a preferred content choice for 25% of SMBs. This highlights a significant shift in how SMBs conduct research. Unlike traditional content, Generative AI tools can provide synthesized, contextualized, and personalized insights—which will reinforce this preference.

Generative AI's growing adoption suggests SMBs will increasingly bypass conventional content discovery channels like search engines or vendor websites. This poses significant implications for technology marketers relying heavily on search engine optimization (SEO) or paid search strategies to drive awareness and engagement. As Generative AI becomes more widely adopted, marketers must explore ways to optimize their content specifically for AI platforms.

We should expect that Generative AI will evolve to play a larger role in SMB purchasing decisions, such as running simulations or ROI projections.

### Content preferences to learn about technology solutions



## #4 SMBs Demand a More Personalized Experience from Tech Vendors

SMBs want vendors to move beyond transactional interactions to a consultative approach that focuses on aligning solutions to SMBs' unique challenges and objectives.

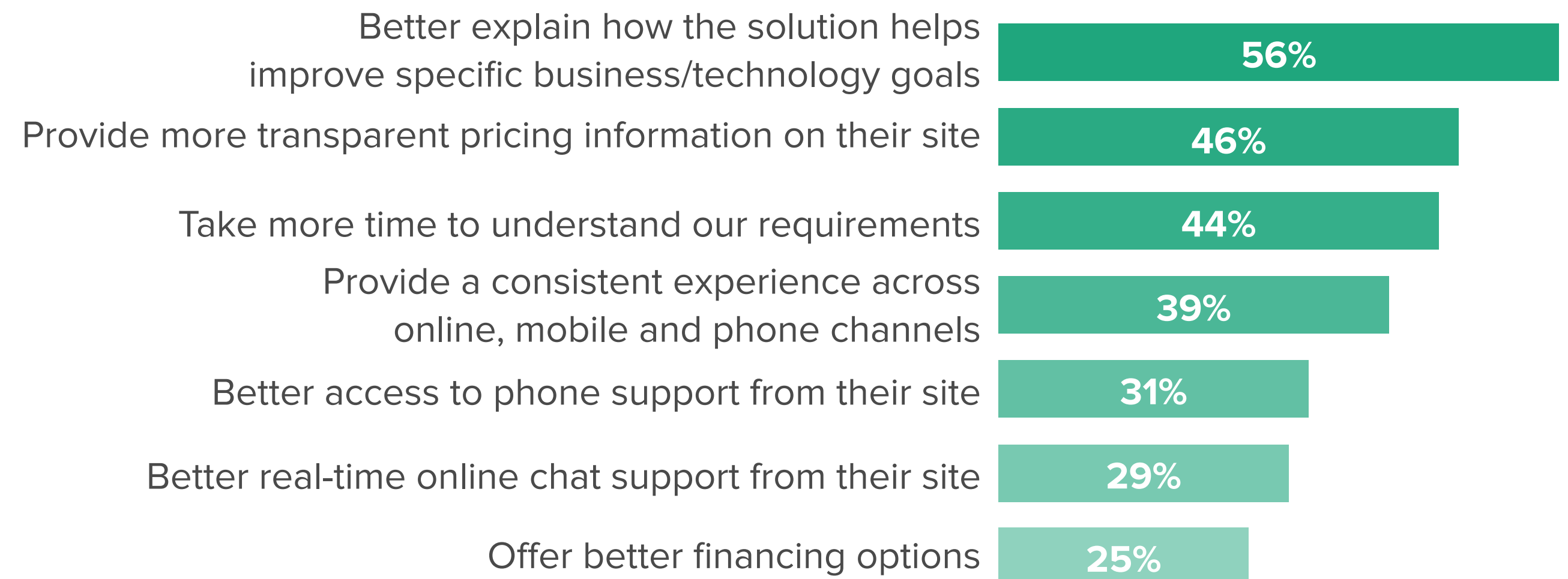
SMBs' top requests to improve the tech purchasing experience include vendors doing a better job of explaining how solutions meet specific business goals (56%) and spending more time understanding their requirements (44%).

Pricing transparency (46%) is the second most critical improvement that SMBs want from vendors during the purchasing process. Clarity and honesty early in the sales funnel enable SMBs to make faster, more confident purchasing decisions.

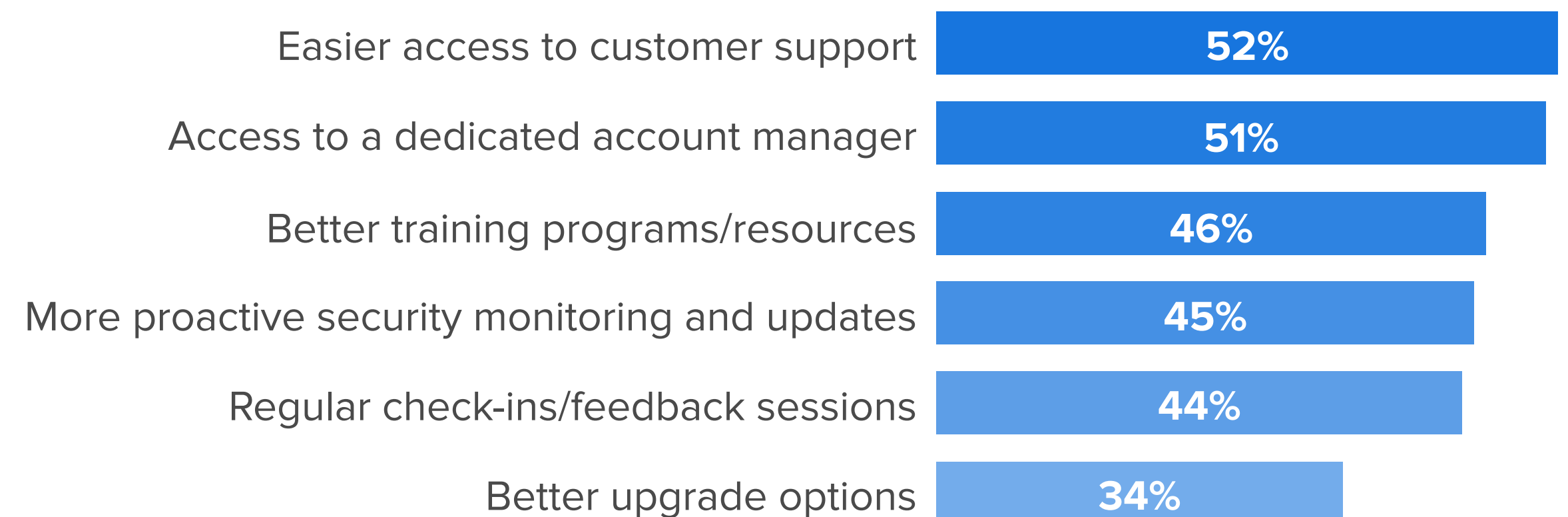
Personalization also matters post-implementation. SMBs want access to a dedicated account manager (51%) and regular check-ins/feedback sessions (44%), underscoring the value of personalized, ongoing relationships post-implementation.

Vendors who provide a more customer-centric strategy that focuses on personalized engagement, transparency, and customer success will build stronger relationships with SMBs, increase customer loyalty, and drive long-term revenue growth by addressing both pre- and post-purchase needs effectively.

### Ways vendors can improve the SMB purchasing experience\*



### Ways technology vendors can better support SMBs post-implementation\*



# SMBs Increase Their Focus on Integrating Business Applications

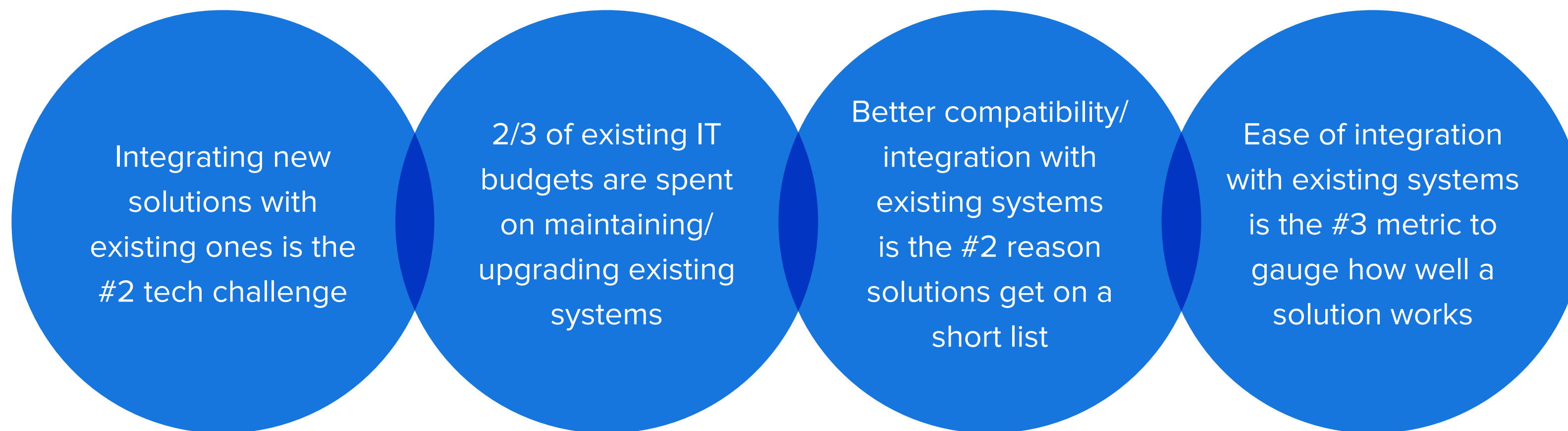
Business application integration is a growing priority for SMBs, who cite integrating new solutions with existing systems as their second most pressing technology challenge.

SMBs allocate two-thirds of their IT budgets to maintaining and upgrading existing systems. This underscores their requirements for interoperability between existing systems and new solutions. SMBs rank better compatibility with existing systems as the second most important consideration when shopping for new solutions, demonstrating the importance of integration capabilities as a critical buying factor.

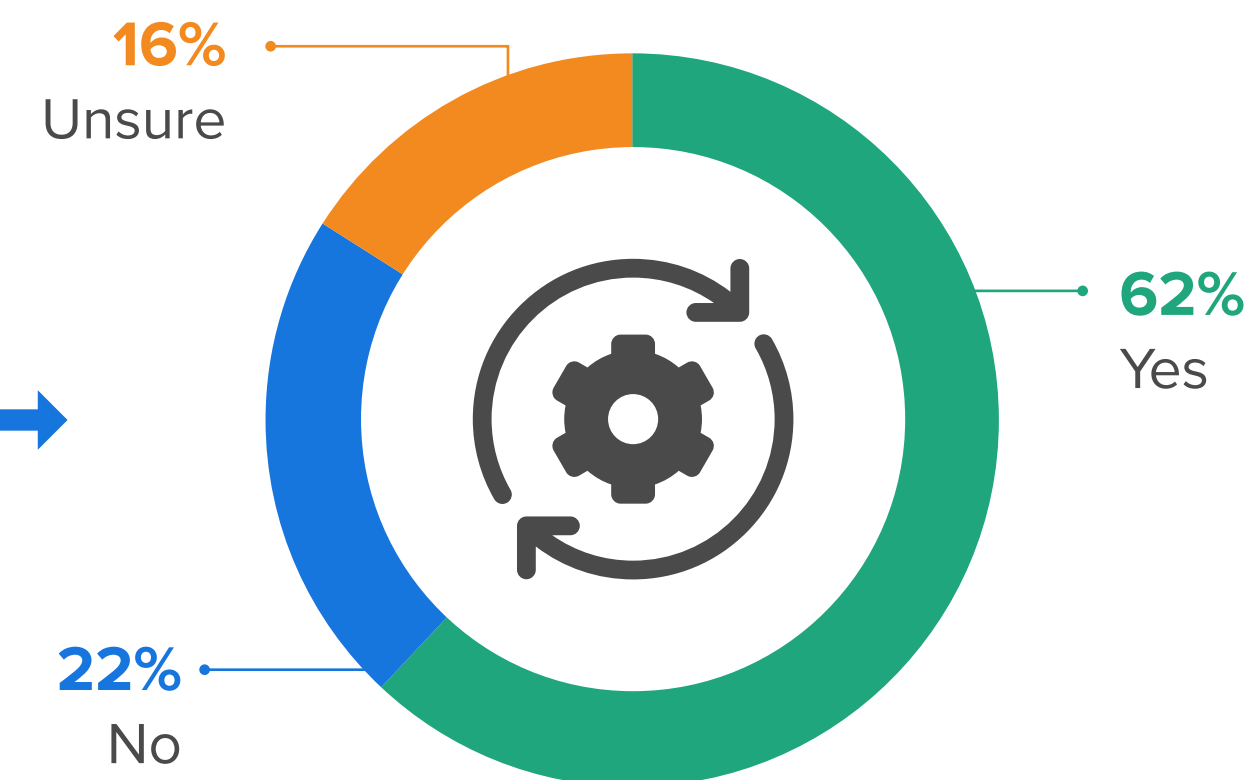
SMBs also report that ease of integration is the third most-used metric for assessing solution performance, highlighting its role in achieving operational success.

As a result, 2/3 of SMBs plan to invest in improving business application integration to streamline and optimize operations. This will drive demand for low-code or no-code integration platforms, solutions with pre-built-connectors and APIs, robust partner ecosystems, and strong integration support services.

## Drivers for SMB application integration



## Plans to invest to improve business application integration





# #6

## Cybercriminals Increasingly Target SMBs

Cybercriminals are increasingly targeting SMBs, with 27% of SMBs experiencing a cybersecurity attack in the past two years. Limited resources and cybersecurity expertise make SMBs attractive targets. In the coming year, SMBs must proactively identify vulnerabilities and strengthen security strategies to meet the evolving threat landscape.

To stay protected, more SMBs will consider the following:



Deploying identity and access management (IAM), multi-factor authentication (MFA), endpoint detection tools, and other solutions to reduce exposure to insider threats and unauthorized access.



Increasing investments in offline backups and incident response plans to minimize the impact of ransomware and double extortion attacks.



Conducting more thorough evaluations of cloud providers' security certifications, data protection policies, and incident response capabilities; clarifying which security responsibilities fall on the vendor versus those that the customer is responsible for; and adopting tools like Cloud Access Security Brokers (CASB) to monitor and protect cloud environments.



Investing in cyber insurance to help cover the costs of financial losses from cyber attacks.



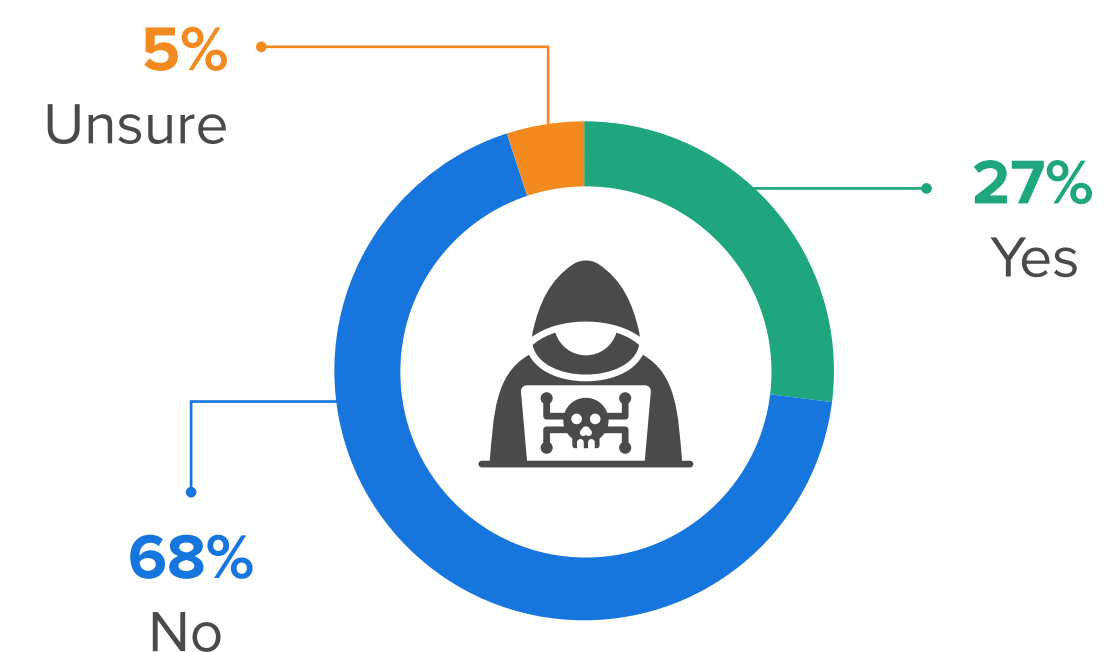
Engaging with Managed Security Service Providers (MSSPs) for security expertise and services.

While AI delivers significant benefits to SMBs, it also introduces new risks. AI tools often rely on massive data sets, including sensitive personal, financial, or business information. If improperly secured, this data can be exposed, enabling cybercriminals to launch compelling phishing attacks and social engineering campaigns at scale.

To address AI-related threats, SMBs need to adopt AI-driven security tools, such as intrusion detection systems (IDS), to detect anomalies in real-time, as well as security information and event management (SIEM) platforms, which automate responses and streamline threat detection.

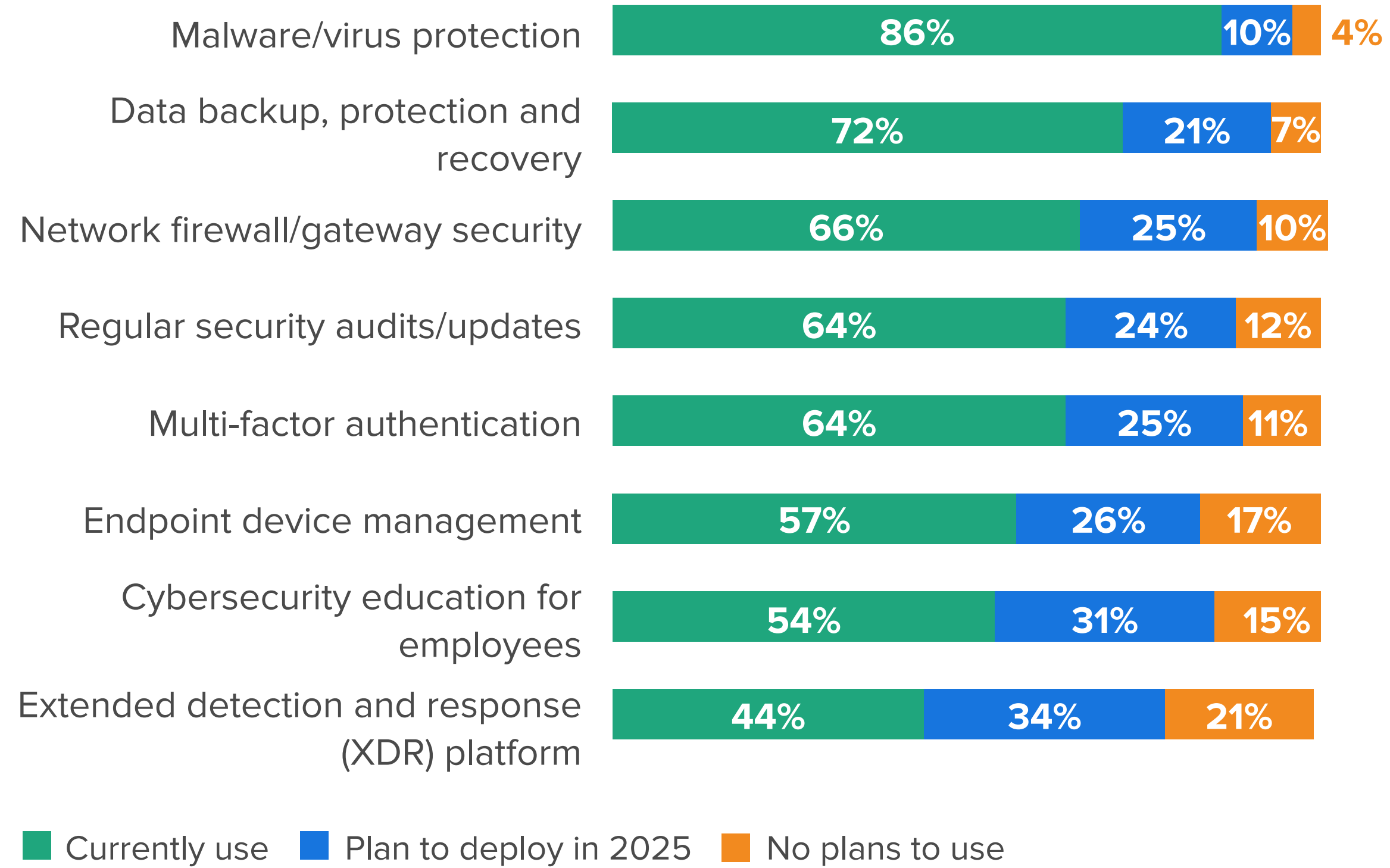
These modern tools provide stronger defenses not only against new threats introduced by AI itself, but also against existing cybersecurity vulnerabilities.

### Percentage of SMBs who have experienced a cybersecurity attack





## Current and planned use of cybersecurity tools





# Growing Reliance on AI and Analytics Fuels the Need for Better Data Management Solutions

**SMBs are generating more data than ever. The data surge is driven by several factors:**



The proliferation of digital tools and processes generates significant amounts of data—SMBs often produce 1–10 terabytes annually depending on their digital operations.



The shift to the cloud, with SMB cloud data growing by up to 50% annually in some industries.



The expansion of e-commerce has led to vast data creation through customer interactions, marketing campaigns, and website analytics.

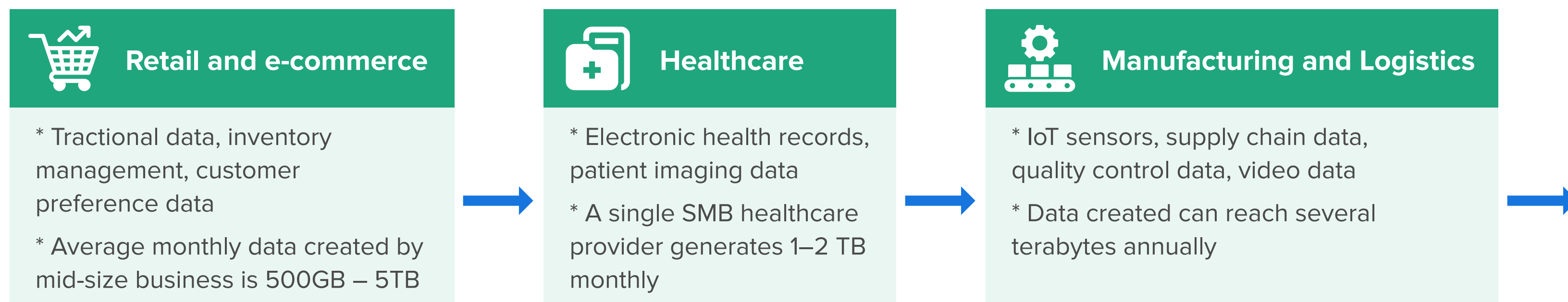


IoT devices used for inventory tracking or equipment monitoring in sectors like logistics and manufacturing contribute gigabytes of real-time data daily.

However, without a clear strategy and proper management, the value of this data remains untapped. SMBs often struggle with fragmented data spread across systems, making it difficult to gain a unified view of their businesses. Managing this data effectively is another hurdle, as is the lack of a clear data management strategy.

In 2025, more SMBs will seek assistance from vendors and partners to help them clean and consolidate their data sources, and determine valuable use cases—such as improving customer insights or streamlining operations. AI-powered tools will help them to automate these processes, making data easier to access and use, and to get the insights required to drive smarter decisions and business growth.

## Global Trends in SMB Data Creation



## Future Projections

- \* According to IDC and other market research firms, the global data sphere is expected to reach 175 zettabytes by 2025.
- \* By 2030, SMBs' reliance on AI and edge computing will double their data generation rates.



# AI Drives SMBs to Re-evaluate Workforce and Hiring Strategies

AI is changing the workplace for SMBs, reshaping jobs and hiring strategies. While some roles are being replaced or redefined, AI mainly targets repetitive, rule-based tasks rather than replacing entire jobs. Many roles are evolving to work alongside AI, creating opportunities to manage and complement its use.

Jobs most at risk include data entry, clerical work, manufacturing and assembly, customer support, telemarketing, accounting, and bookkeeping. These roles involve repetitive tasks that AI is well-suited to handle.

However, in other fields, AI is transforming jobs rather than replacing them. For example:



**Healthcare:** AI helps with data-heavy tasks like analyzing scans or lab results, but human doctors and nurses remain essential for patient care.



**Software Development:** AI can assist with repetitive coding and debugging, but developers are still needed for creative and complex problem-solving.

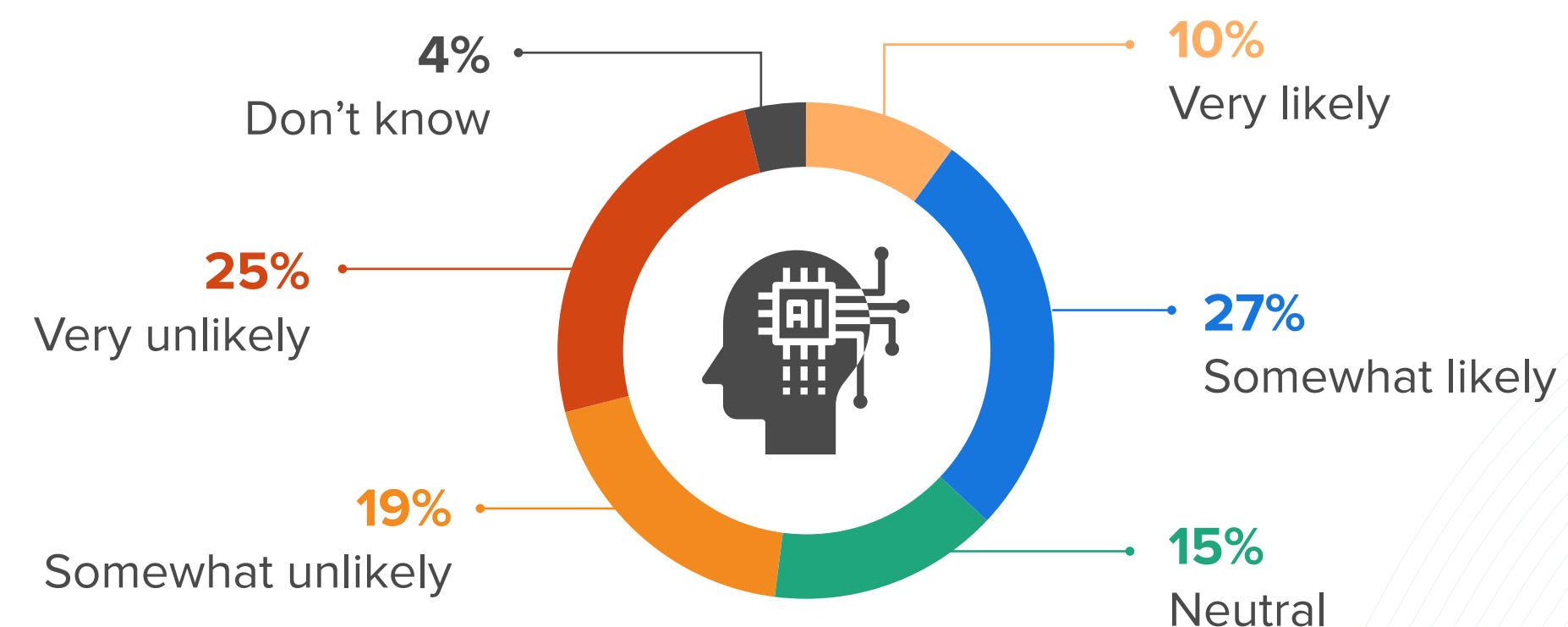


**Marketing:** AI automates tasks like ad targeting, email campaigns, and performance tracking, allowing marketers to focus on strategy.

The likelihood of AI replacing employees varies by industry. Financial services, healthcare, and manufacturing are among the sectors where AI is expected to have the biggest impact in the next two years. However, these changes are more about shifting responsibilities than outright job elimination.

SMBs will need to develop effective strategies to use AI to enhance human roles, not replace them, and find the right balance between the two.

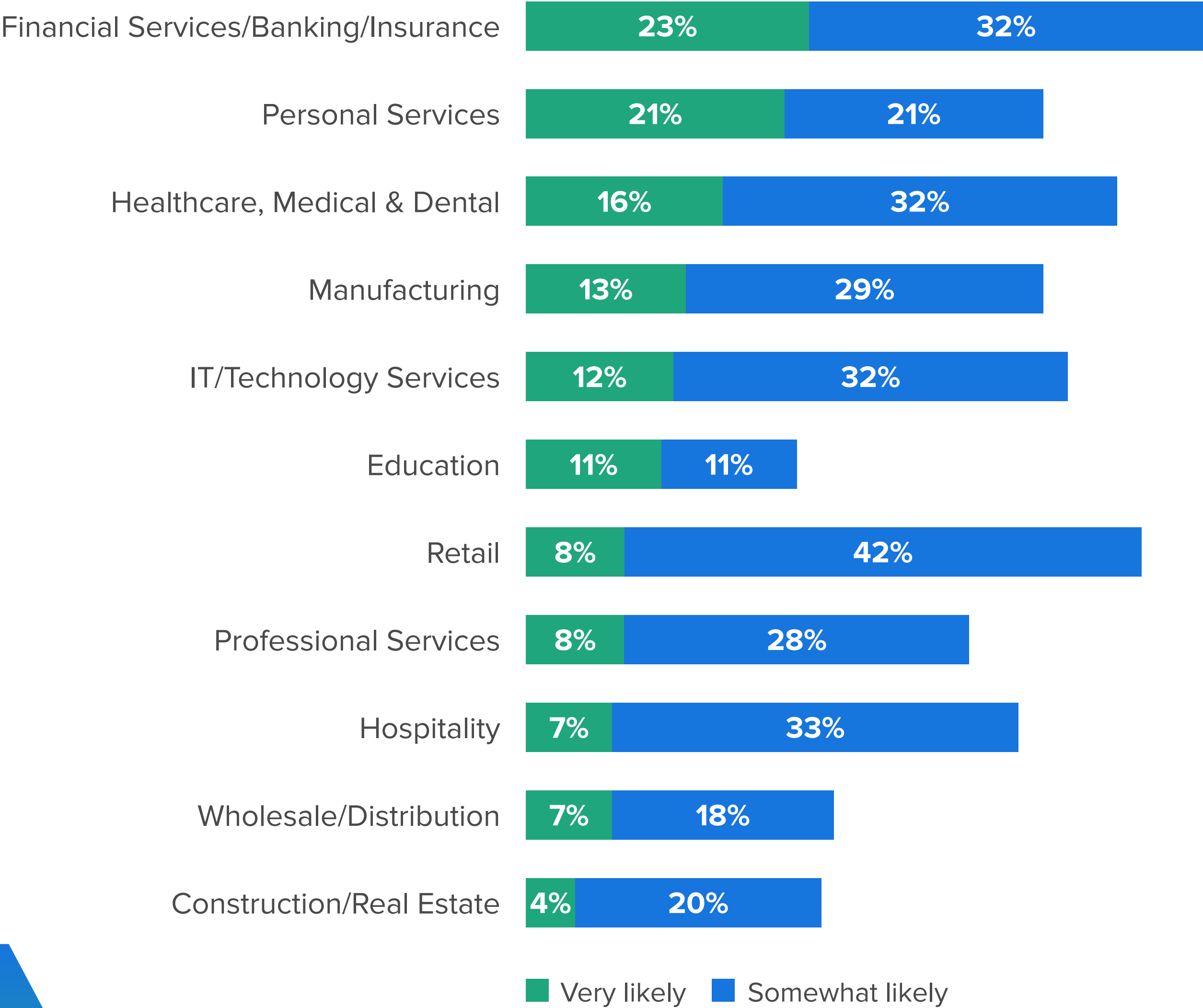
## Likelihood of AI replacing employees in the next 2 years







### Likelihood of AI replacing employees in the next 2 years (by industry)





# SMBs Continue to Move to Cloud, Hybrid, and As-a-Service Computing Models

SMBs will continue to shift their workloads to cloud computing, hybrid models, and as-a-service solutions. By leveraging cloud computing and flexible as-a-service models, SMBs can reduce costs, streamline operations, and gain the scalability they need to stay competitive.

SMBs are increasingly likely to choose to use cloud or SaaS solutions for financial management, sales/marketing, and human resources. In addition, cloud computing delivers essential services—storage, networking, software, and analytics—via the internet. Providers like Amazon AWS and Microsoft Azure handle updates, maintenance, and security, reducing IT workloads for SMBs while offering easy scalability and cost savings.

Hybrid computing combines on-premises systems with cloud services, providing flexibility, reducing disruptions, and supporting specific compliance needs in industries such as healthcare and finance. SMBs can keep predictable workloads in-house while using the cloud for dynamic demands, such as seasonal spikes.

Overall, “As-a-service” solutions are gaining popularity because they simplify operations and reduce complexity



**SaaS (Software-as-a-Service):** Tools like Salesforce and Zoom are hosted by providers and accessed through a web browser, eliminating the need for local software management.



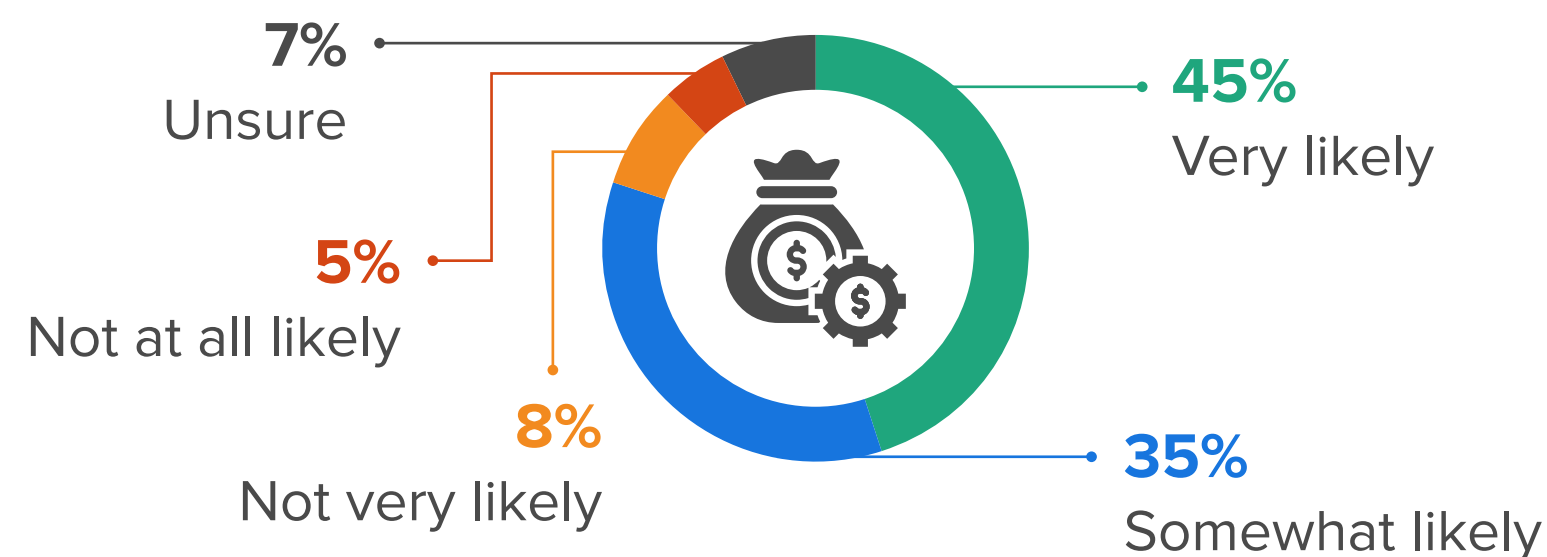
**PaaS (Platform-as-a-Service):** Platforms like AWS Elastic Beanstalk allow developers to build and deploy applications without managing infrastructure.



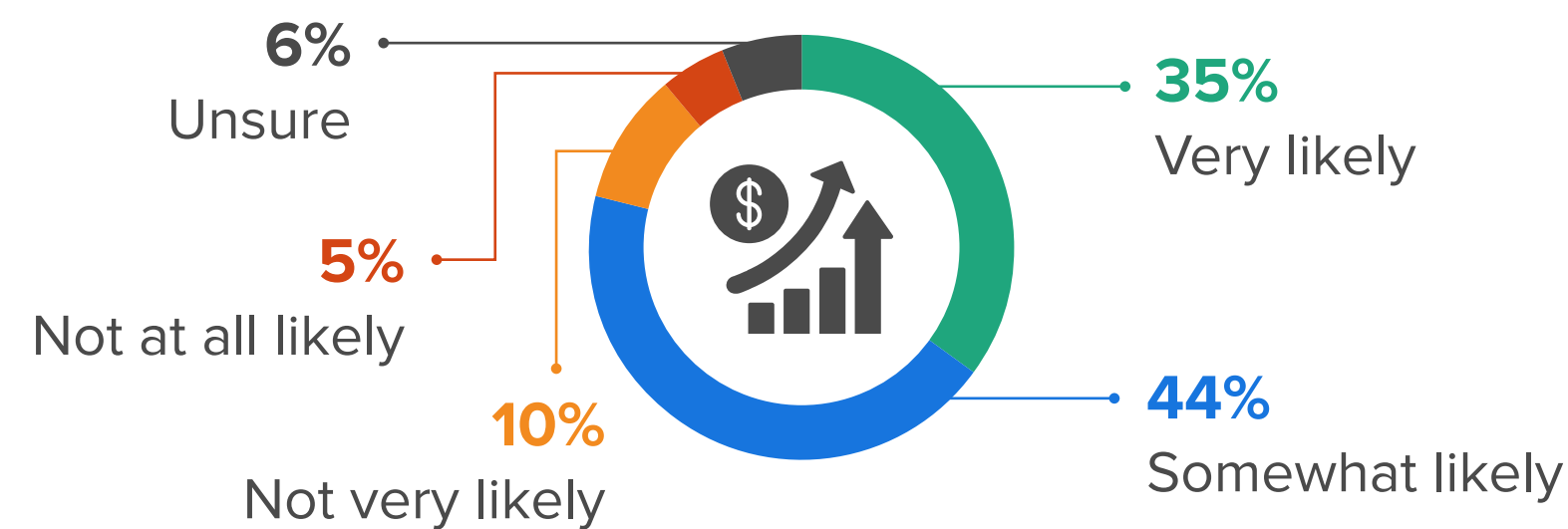
**IaaS (Infrastructure-as-a-Service):** SMBs rent IT resources such as servers and storage from cloud providers like Amazon EC2.

## Likelihood of Selecting Cloud/SaaS Solutions for Is High Across Different Business Functions

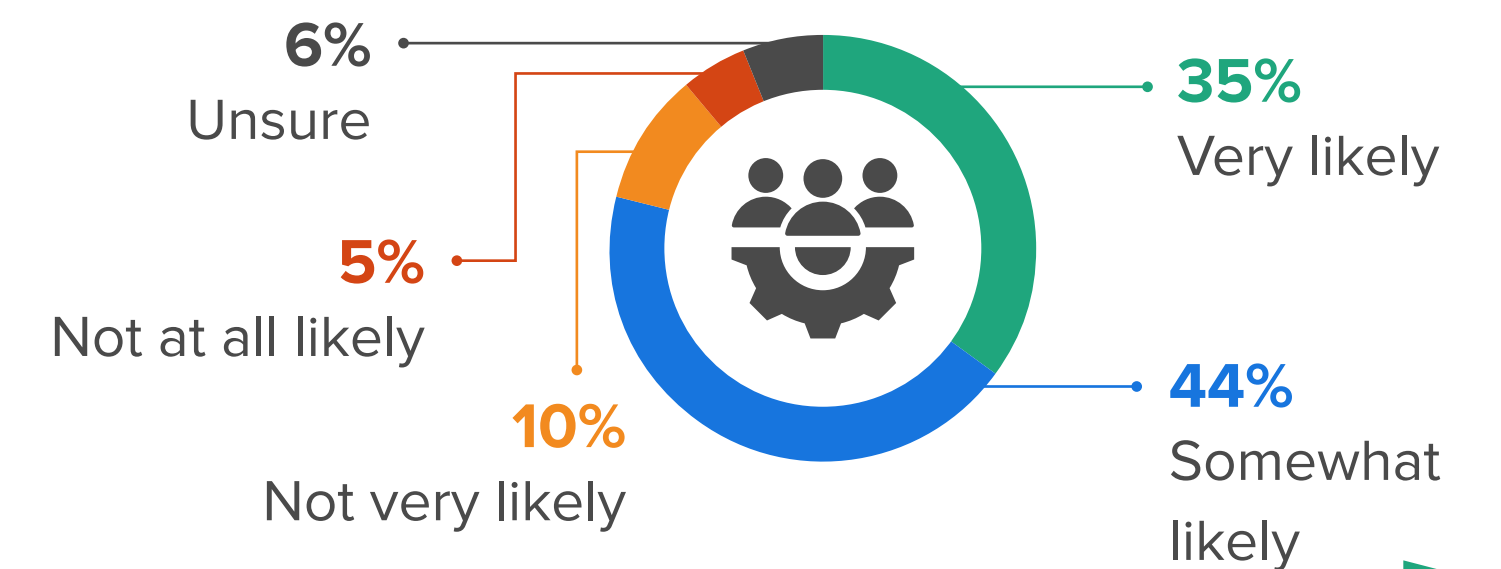
### Financial Management



### Sales/Marketing/Service



### Human Resources



SMB collaboration priorities are being reshaped by changes in the workplace and new technologies. Top priorities include improving real-time communication capabilities, improving external collaboration, using collaboration tools more effectively, making meetings more productive, and strengthening cybersecurity protections.

In the coming year, SMB collaboration and communication trends will be heavily shaped by these priorities and new technologies. SMBs will prioritize solutions that improve communication, collaboration, and productivity while addressing cybersecurity risks. By adopting advanced tools and technologies, SMBs can empower teams to work more effectively and stay competitive in an evolving business landscape.

Priorities will include:



Centralized communication solutions to consolidate multiple communication methods (e.g., chat, video, voice, and email) into a single platform to streamline collaboration and enhance team connectivity.



Hybrid and remote work solutions to support distributed workforces and improve collaboration across teams, smooth workflows, and boost productivity.



Embedded AI-powered productivity tools to improve productivity. SMBs' use of AI for real-time transcription, meeting summaries, document management, translations, and sentiment analysis using natural language processing (NLP) will surge.



AI-driven predictive analytics capabilities to automate task prioritization, identify bottlenecks, and enhance project management capabilities.

## Communications and Collaboration Investment Priorities





## Information Sources

All data is sourced from the following SMB Group survey studies, unless otherwise noted:

- 2024 SMB Technology Buying Journey Survey
- SMB Business and Technology Priorities for 2024

Survey respondents include seven employee size bands split between businesses with 1–2,500 employees. For brevity, we refer to the entire 1–2,500 group as SMBs.

## About SMB Group

Founded in 2010, SMB Group is a technology industry research, analysis, and consulting firm, focusing exclusively on the small and medium business (SMB) market.

### We help our clients:

- Identify trends and opportunities
- Understand and segment the SMB market
- Evaluate and act upon
- Opportunities, threats, and disruptive trends
- Develop more compelling messaging and content
- Position solutions for growth and competitive advantage

## For More Information

For information about licensing SMB Group's 2020 Top 10 SMB Technology Trends or other SMB Group services, please contact Lisa Lincoln, Director of Client Services:



[lisa.lincoln70@smb-gr.com](mailto:lisa.lincoln70@smb-gr.com)



(508)395-6760

